

SENATE BILL NO. 279—SENATOR BROWER

MARCH 15, 2013

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to the Secretary of State.
(BDR 7-461)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to the Secretary of State; revising provisions governing the Secretary of State's referral of alleged violations of certain provisions of law to the Attorney General or a district attorney; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that the Secretary of State may instruct the Attorney General or a district attorney to institute judicial proceedings to recover fines for certain alleged violations of existing law relating to business entities. (NRS 78.047, 80.055, 82.5234, 86.213, 86.548, 87.445, 87.5405, 87A.237, 87A.610, 87A.632, 87A.652, 88.352, 88.600, 88.6062, 88.6087, 88A.215, 88A.750, 89.215) In addition, certain provisions of existing law require the Attorney General to institute and prosecute judicial proceedings if the Secretary of State refers to the Attorney General certain alleged violations of existing law governing election campaigns. (NRS 294A.342, 294A.410) This bill amends those provisions to specify that: (1) the Secretary of State may refer or report alleged violations of law to the Attorney General or a district attorney; and (2) the Attorney General or district attorney has discretion concerning whether to initiate and prosecute such proceedings.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 78.047 is hereby amended to read as follows:
78.047 1. Every person, other than a corporation organized and existing pursuant to the laws of another state, territory, the District of Columbia, a possession of the United States or a foreign country, who is purporting to do business in this State as a



1 corporation and who willfully fails or neglects to file with the
2 Secretary of State articles of incorporation is subject to a fine of not
3 less than \$1,000 but not more than \$10,000, to be recovered in a
4 court of competent jurisdiction.

5 2. When the Secretary of State is advised that a person is
6 subject to the fine described in subsection 1, the Secretary of State
7 may, as soon as practicable, ~~instruct~~ *refer the matter to* the district
8 attorney of the county in which the person's principal place of
9 business is located or the Attorney General, or both, *for a*
10 *determination of whether* to institute proceedings to recover the
11 fine. *The district attorney of the county in which the person's*
12 *principal place of business is located or the Attorney General may*
13 *institute and prosecute the appropriate proceedings to recover the*
14 *fine.* If the district attorney or the Attorney General prevails in a
15 proceeding to recover the fine described in subsection 1, the district
16 attorney or the Attorney General is entitled to recover the costs of
17 the proceeding, including, without limitation, the cost of any
18 investigation and reasonable attorney's fees.

19 3. The Secretary of State may adopt regulations to administer
20 the provisions of this section.

21 **Sec. 2.** NRS 80.055 is hereby amended to read as follows:

22 80.055 1. Every corporation which willfully fails or neglects
23 to comply with the provisions of NRS 80.010 to 80.040, inclusive,
24 is subject to a fine of not less than \$1,000 but not more than
25 \$10,000, to be recovered in a court of competent jurisdiction.

26 2. Except as otherwise provided in subsection 3, every
27 corporation which fails or neglects to comply with the provisions of
28 NRS 80.010 to 80.040, inclusive, may not commence or maintain
29 any action or proceeding in any court of this State until it has fully
30 complied with the provisions of NRS 80.010 to 80.040, inclusive.

31 3. An action or proceeding may be commenced by such a
32 corporation if an extraordinary remedy available pursuant to chapter
33 31 of NRS is all or part of the relief sought. Such an action or
34 proceeding must be dismissed without prejudice if the corporation
35 does not comply with the provisions of NRS 80.010 to 80.040,
36 inclusive, within 45 days after the action or proceeding is
37 commenced.

38 4. When the Secretary of State is advised that a corporation is
39 doing business in contravention of NRS 80.010 to 80.040, inclusive,
40 the Secretary of State may, as soon as practicable, ~~instruct~~ *refer*
41 *the matter to* the district attorney of the county where the
42 corporation has its principal place of business or the Attorney
43 General, or both, *for a determination of whether* to institute
44 proceedings to recover any applicable fine provided for in this
45 section. *The district attorney of the county where the corporation*



1 *has its principal place of business or the Attorney General may*
2 *institute and prosecute the appropriate proceedings to recover the*
3 *fine.* If the district attorney or the Attorney General prevails in a
4 proceeding to recover the fine described in subsection 1, the district
5 attorney or the Attorney General is entitled to recover the costs of
6 the proceeding, including, without limitation, the cost of any
7 investigation and reasonable attorney's fees.

8 5. The failure of a corporation to comply with the provisions of
9 NRS 80.010 to 80.040, inclusive, does not impair the validity of any
10 contract or act of the corporation, or prevent the corporation from
11 defending any action, suit or proceeding in any court of this State.

12 6. The Secretary of State may adopt regulations to administer
13 the provisions of this section.

14 **Sec. 3.** NRS 82.5234 is hereby amended to read as follows:

15 82.5234 1. Every foreign nonprofit corporation which is
16 doing business in this State and which willfully fails or neglects to
17 qualify to do business in this State in accordance with the laws of
18 this State is subject to a fine of not less than \$1,000 but not more
19 than \$10,000, to be recovered in a court of competent jurisdiction.

20 2. Except as otherwise provided in subsection 3, every foreign
21 nonprofit corporation which is doing business in this State and
22 which fails or neglects to qualify to do business in this State in
23 accordance with the laws of this State may not commence or
24 maintain any action or proceeding in any court of this State until it
25 has qualified to do business in this State.

26 3. An action or proceeding may be commenced by such a
27 corporation if an extraordinary remedy available pursuant to chapter
28 31 of NRS is all or part of the relief sought. Such an action or
29 proceeding must be dismissed without prejudice if the corporation
30 does not qualify to do business in this State within 45 days after the
31 action or proceeding is commenced.

32 4. When the Secretary of State is advised that a foreign
33 nonprofit corporation is subject to the fine described in subsection 1,
34 the Secretary of State may, as soon as practicable, ~~instruct~~ *refer*
35 *the matter to* the district attorney of the county where the foreign
36 nonprofit corporation has its principal place of business or the
37 Attorney General, or both, *for a determination of whether to*
38 *institute proceedings to recover the fine. The district attorney of the*
39 *county where the foreign nonprofit corporation has its principal*
40 *place of business or the Attorney General may institute and*
41 *prosecute the appropriate proceedings to recover the fine.* If the
42 district attorney or the Attorney General prevails in a proceeding to
43 recover the fine described in subsection 1, the district attorney or the
44 Attorney General is entitled to recover the costs of the proceeding,



1 including, without limitation, the cost of any investigation and
2 reasonable attorney's fees.

3 5. The failure of a foreign nonprofit corporation to qualify to
4 do business in this State in accordance with the laws of this State
5 does not impair the validity of any contract or act of the corporation,
6 or prevent the corporation from defending any action, suit or
7 proceeding in any court of this State.

8 6. The Secretary of State may adopt regulations to administer
9 the provisions of this section.

10 **Sec. 4.** NRS 86.213 is hereby amended to read as follows:

11 86.213 1. Every person, other than a foreign limited-liability
12 company, who is purporting to do business in this State as a limited-
13 liability company and who willfully fails or neglects to file with the
14 Secretary of State articles of organization is subject to a fine of not
15 less than \$1,000 but not more than \$10,000, to be recovered in a
16 court of competent jurisdiction.

17 2. When the Secretary of State is advised that a person is
18 subject to the fine described in subsection 1, the Secretary of State
19 may, as soon as practicable, ~~instruct~~ *refer the matter to* the district
20 attorney of the county in which the person's principal place of
21 business is located or the Attorney General, or both, *for a*
22 *determination of whether* to institute proceedings to recover the
23 fine. *The district attorney of the county in which the person's*
24 *principal place of business is located or the Attorney General may*
25 *institute and prosecute the appropriate proceedings to recover the*
26 *fine.* If the district attorney or the Attorney General prevails in a
27 proceeding to recover the fine described in subsection 1, the district
28 attorney or the Attorney General is entitled to recover the costs of
29 the proceeding, including, without limitation, the cost of any
30 investigation and reasonable attorney's fees.

31 3. The Secretary of State may adopt regulations to administer
32 the provisions of this section.

33 **Sec. 5.** NRS 86.548 is hereby amended to read as follows:

34 86.548 1. Every foreign limited-liability company transacting
35 business in this State which willfully fails or neglects to register
36 with the Secretary of State in accordance with the provisions of
37 NRS 86.544 is subject to a fine of not less than \$1,000 but not more
38 than \$10,000, to be recovered in a court of competent jurisdiction.

39 2. Every foreign limited-liability company transacting business
40 in this State which fails or neglects to register with the Secretary of
41 State in accordance with the provisions of NRS 86.544 may not
42 commence or maintain any action, suit or proceeding in any court of
43 this State until it has registered with the Secretary of State.

44 3. The failure of a foreign limited-liability company to register
45 with the Secretary of State does not impair the validity of any



1 contract or act of the foreign limited-liability company, or prevent
2 the foreign limited-liability company from defending any action,
3 suit or proceeding in any court of this State.

4 4. When the Secretary of State is advised that a foreign limited-
5 liability company is subject to the fine described in subsection 1, the
6 Secretary of State may, as soon as practicable, ~~instruct~~ *refer the*
7 *matter to* the district attorney of the county where the foreign
8 limited-liability company has its principal place of business or the
9 Attorney General, or both, *for a determination of whether* to
10 institute proceedings to recover the fine. *The district attorney of the*
11 *county where the foreign limited-liability company has its*
12 *principal place of business or the Attorney General may institute*
13 *and prosecute the appropriate proceedings to recover the fine.* If
14 the district attorney or the Attorney General prevails in a proceeding
15 to recover the fine described in subsection 1, the district attorney or
16 the Attorney General is entitled to recover the costs of the
17 proceeding, including, without limitation, the cost of any
18 investigation and reasonable attorney's fees.

19 5. A foreign limited-liability company, by transacting business
20 in this State without registering with the Secretary of State, appoints
21 the Secretary of State as its agent for service of process with respect
22 to causes of action arising out of the transaction of business in this
23 State by the foreign limited-liability company.

24 6. The Secretary of State may adopt regulations to administer
25 the provisions of this section.

26 **Sec. 6.** NRS 87.445 is hereby amended to read as follows:

27 87.445 1. Every person, other than a foreign registered
28 limited-liability partnership, who is purporting to do business in this
29 State as a registered limited-liability partnership and who willfully
30 fails or neglects to file with the Secretary of State a certificate of
31 registration is subject to a fine of not less than \$1,000 but not more
32 than \$10,000, to be recovered in a court of competent jurisdiction.

33 2. When the Secretary of State is advised that a person is
34 subject to the fine described in subsection 1, the Secretary of State
35 may, as soon as practicable, ~~instruct~~ *refer the matter to* the district
36 attorney of the county in which the person's principal place of
37 business is located or the Attorney General, or both, *for a*
38 *determination of whether* to institute proceedings to recover the
39 fine. *The district attorney of the county in which the person's*
40 *principal place of business is located or the Attorney General may*
41 *institute and prosecute the appropriate proceedings to recover the*
42 *fine.* If the district attorney or the Attorney General prevails in a
43 proceeding to recover the fine described in subsection 1, the district
44 attorney or the Attorney General is entitled to recover the costs of



1 the proceeding, including, without limitation, the cost of any
2 investigation and reasonable attorney's fees.

3 3. The Secretary of State may adopt regulations to administer
4 the provisions of this section.

5 **Sec. 7.** NRS 87.5405 is hereby amended to read as follows:

6 87.5405 1. Every foreign registered limited-liability
7 partnership which is doing business in this State and which willfully
8 fails or neglects to register with the Secretary of State pursuant to
9 NRS 87.440 to 87.500, inclusive, and 87.541 to 87.544, inclusive, is
10 subject to a fine of not less than \$1,000 but not more than \$10,000,
11 to be recovered in a court of competent jurisdiction.

12 2. Every foreign registered limited-liability partnership which
13 is doing business in this State and which fails or neglects to register
14 with the Secretary of State pursuant to NRS 87.440 to 87.500,
15 inclusive, and 87.541 to 87.544, inclusive, may not commence or
16 maintain any action, suit or proceeding in any court of this State
17 until it has registered with the Secretary of State pursuant to NRS
18 87.440 to 87.500, inclusive, and 87.541 to 87.544, inclusive.

19 3. The failure of a foreign registered limited-liability
20 partnership to register in this State does not impair the validity of
21 any contract or act of the foreign registered limited-liability
22 partnership, or prevent the foreign registered limited-liability
23 partnership from defending any action, suit or proceeding in any
24 court of this State.

25 4. When the Secretary of State is advised that a foreign
26 registered limited-liability partnership is subject to the fine
27 described in subsection 1, the Secretary of State may, as soon as
28 practicable, ~~instruct~~ *refer the matter to* the district attorney of the
29 county in which the foreign registered limited-liability partnership's
30 principal place of business is located or the Attorney General, or
31 both, *for a determination of whether* to institute proceedings to
32 recover the fine. *The district attorney of the county in which the*
33 *foreign registered limited-liability partnership's principal place of*
34 *business is located or the Attorney General may institute and*
35 *prosecute the appropriate proceedings to recover the fine.* If the
36 district attorney or the Attorney General prevails in a proceeding to
37 recover the fine described in subsection 1, the district attorney or the
38 Attorney General is entitled to recover the costs of the proceeding,
39 including, without limitation, the cost of any investigation and
40 reasonable attorney's fees.

41 5. A foreign registered limited-liability partnership, by
42 transacting business in this State without registration, appoints the
43 Secretary of State as its agent for service of process with respect to
44 causes of action arising out of the transaction of business in this
45 State by the foreign registered limited-liability partnership.



6. The Secretary of State may adopt regulations to administer the provisions of this section.

Sec. 8. NRS 87A.237 is hereby amended to read as follows:

87A.237 1. Every person, other than a foreign limited partnership, who is purporting to do business in this State as a limited partnership and who willfully fails or neglects to file with the Secretary of State a certificate of limited partnership is subject to a fine of not less than \$1,000 but not more than \$10,000, to be recovered in a court of competent jurisdiction.

2. When the Secretary of State is advised that a person, other than a foreign limited partnership, is subject to the fine described in subsection 1, the Secretary of State may, as soon as practicable, ~~instruct~~ *refer the matter to* the district attorney of the county in which the person's principal place of business is located or the Attorney General, or both, *for a determination of whether* to institute proceedings to recover the fine. *The district attorney of the county in which the person's principal place of business is located or the Attorney General may institute and prosecute the appropriate proceedings to recover the fine.* If the district attorney or the Attorney General prevails in a proceeding to recover the fine described in subsection 1, the district attorney or the Attorney General is entitled to recover the costs of the proceeding, including, without limitation, the cost of any investigation and reasonable attorney's fees.

3. The Secretary of State may adopt regulations to administer the provisions of this section.

Sec. 9. NRS 87A.610 is hereby amended to read as follows:

87A.610 1. Every foreign limited partnership transacting business in this State which willfully fails or neglects to register with the Secretary of State in accordance with the provisions of NRS 87A.540 or 88.575 is subject to a fine of not less than \$1,000 but not more than \$10,000, to be recovered in a court of competent jurisdiction.

2. Every foreign limited partnership transacting business in this State which fails or neglects to register with the Secretary of State in accordance with the provisions of NRS 87A.540 or 88.575 may not commence or maintain any action, suit or proceeding in any court of this State until it has registered with the Secretary of State.

3. The failure of a foreign limited partnership to register with the Secretary of State does not impair the validity of any contract or act of the foreign limited partnership or prevent the foreign limited partnership from defending any action, suit or proceeding in any court of this State.

4. When the Secretary of State is advised that a foreign limited partnership is subject to the fine described in subsection 1, the



1 Secretary of State may, as soon as practicable, ~~instruct~~ *refer the*
2 *matter to* the district attorney of the county where the foreign
3 limited partnership has its principal place of business or the
4 Attorney General, or both, *for a determination of whether* to
5 institute proceedings to recover any applicable fine provided for in
6 this section. *The district attorney of the county where the foreign*
7 *limited partnership has its principal place of business or the*
8 *Attorney General may institute and prosecute the appropriate*
9 *proceedings to recover the fine.* If the district attorney or the
10 Attorney General prevails in a proceeding to recover a fine pursuant
11 to this section, the district attorney or the Attorney General is
12 entitled to recover the costs of the proceeding, including, without
13 limitation, the cost of any investigation and reasonable attorney's
14 fees.

15 5. A limited partner of a foreign limited partnership is not
16 liable as a general partner of the foreign limited partnership solely
17 by reason of having transacted business in this State without
18 registration.

19 6. A foreign limited partnership, by transacting business in this
20 State without registering with the Secretary of State, appoints the
21 Secretary of State as its agent for service of process with respect to
22 causes of action arising out of the transaction of business in this
23 State.

24 7. The Secretary of State may adopt regulations to administer
25 the provisions of this section.

26 **Sec. 10.** NRS 87A.632 is hereby amended to read as follows:

27 87A.632 1. Every person, other than a limited-liability
28 limited partnership formed pursuant to an agreement governed by
29 the laws of another state, who is purporting to do business in this
30 State as a registered limited-liability limited partnership and who
31 willfully fails or neglects to file with the Secretary of State a
32 certificate of registration is subject to a fine of not less than \$1,000
33 but not more than \$10,000, to be recovered in a court of competent
34 jurisdiction.

35 2. When the Secretary of State is advised that a person is
36 subject to the fine described in subsection 1, the Secretary of State
37 may, as soon as practicable, ~~instruct~~ *refer the matter to* the district
38 attorney of the county in which the person's principal place of
39 business is located or the Attorney General, or both, *for a*
40 *determination of whether* to institute proceedings to recover the
41 fine. *The district attorney of the county in which the person's*
42 *principal place of business is located or the Attorney General may*
43 *institute and prosecute the appropriate proceedings to recover the*
44 *fine.* If the district attorney or the Attorney General prevails in a
45 proceeding to recover the fine described in this section, the district



1 attorney or the Attorney General is entitled to recover the costs of
2 the proceeding, including, without limitation, the cost of any
3 investigation and reasonable attorney's fees.

4 3. The Secretary of State may adopt regulations to administer
5 the provisions of this section.

6 **Sec. 11.** NRS 87A.652 is hereby amended to read as follows:

7 87A.652 1. Every limited-liability limited partnership,
8 formed pursuant to an agreement governed by the laws of another
9 state, which is purporting to transact business in this State as a
10 foreign registered limited-liability limited partnership and which
11 willfully fails or neglects to register with the Secretary of State in
12 accordance with the provisions of NRS 87A.540 or 88.575 is subject
13 to a fine of not less than \$1,000 but not more than \$10,000, to be
14 recovered in a court of competent jurisdiction.

15 2. Every limited-liability limited partnership, formed pursuant
16 to an agreement governed by the laws of another state, which is
17 purporting to transact business in this State as a foreign registered
18 limited-liability limited partnership and which fails or neglects to
19 register with the Secretary of State in accordance with the
20 provisions of NRS 87A.540 or 88.575 may not commence or
21 maintain any action, suit or proceeding in any court of this State
22 until it has registered in this State.

23 3. The failure of a limited-liability limited partnership, formed
24 pursuant to an agreement governed by the laws of another state and
25 purporting to do business in this State as a foreign registered
26 limited-liability limited partnership, to register with the Secretary of
27 State in accordance with the provisions of NRS 87A.540 or 88.575
28 does not impair the validity of any contract or act of the limited-
29 liability limited partnership or prevent the limited-liability limited
30 partnership from defending any action, suit or proceeding in any
31 court of this State.

32 4. When the Secretary of State is advised that a limited-liability
33 limited partnership, formed pursuant to an agreement governed by
34 the laws of another state, is subject to the fine described in
35 subsection 1, the Secretary of State may, as soon as practicable,
36 ~~instruct~~ *refer the matter to* the district attorney of the county
37 where the limited-liability limited partnership has its principal place
38 of business or the Attorney General, or both, *for a determination of*
39 *whether* to institute proceedings to recover the fine. *The district*
40 *attorney of the county where the limited-liability limited*
41 *partnership has its principal place of business or the Attorney*
42 *General may institute and prosecute the appropriate proceedings*
43 *to recover the fine.* If the district attorney or the Attorney General
44 prevails in a proceeding to recover the fine described in subsection
45 1, the district attorney or the Attorney General is entitled to recover



1 the costs of the proceeding, including, without limitation, the cost of
2 any investigation and reasonable attorney's fees.

3 5. A limited partner of a limited-liability limited partnership,
4 formed pursuant to an agreement governed by the laws of another
5 state, is not liable as a general partner of the limited-liability limited
6 partnership solely by reason of having transacted business in this
7 State without registration.

8 6. A limited-liability limited partnership, formed pursuant to an
9 agreement governed by the laws of another state, by transacting
10 business in this State without registering with the Secretary of State
11 in accordance with the provisions of NRS 87A.540 or 88.575,
12 appoints the Secretary of State as its agent for service of process
13 with respect to causes of action arising out of the transaction of
14 business in this State.

15 7. The Secretary of State may adopt regulations to administer
16 the provisions of this section.

17 **Sec. 12.** NRS 88.352 is hereby amended to read as follows:

18 88.352 1. Every person, other than a foreign limited
19 partnership, who is purporting to do business in this State as a
20 limited partnership and who willfully fails or neglects to file with
21 the Secretary of State a certificate of limited partnership is subject to
22 a fine of not less than \$1,000 but not more than \$10,000, to be
23 recovered in a court of competent jurisdiction.

24 2. When the Secretary of State is advised that a person, other
25 than a foreign limited partnership, is subject to the fine described in
26 subsection 1, the Secretary of State may, as soon as practicable,
27 ~~instruct~~ *refer the matter to* the district attorney of the county in
28 which the person's principal place of business is located or the
29 Attorney General, or both, *for a determination of whether* to
30 institute proceedings to recover the fine. *The district attorney of the*
31 *county in which the person's principal place of business is located*
32 *or the Attorney General may institute and prosecute the*
33 *appropriate proceedings to recover the fine.* If the district attorney
34 or the Attorney General prevails in a proceeding to recover the fine
35 described in subsection 1, the district attorney or the Attorney
36 General is entitled to recover the costs of the proceeding, including,
37 without limitation, the cost of any investigation and reasonable
38 attorney's fees.

39 3. The Secretary of State may adopt regulations to administer
40 the provisions of this section.

41 **Sec. 13.** NRS 88.600 is hereby amended to read as follows:

42 88.600 1. Every foreign limited partnership transacting
43 business in this State which willfully fails or neglects to register
44 with the Secretary of State in accordance with the provisions of
45 NRS 87A.540 or 88.575 is subject to a fine of not less than \$1,000



1 but not more than \$10,000, to be recovered in a court of competent
2 jurisdiction.

3 2. Every foreign limited partnership transacting business in this
4 State which fails or neglects to register with the Secretary of State in
5 accordance with the provisions of NRS 87A.540 or 88.575 may not
6 commence or maintain any action, suit or proceeding in any court of
7 this State until it has registered in this State.

8 3. The failure of a foreign limited partnership to register with
9 the Secretary of State does not impair the validity of any contract or
10 act of the foreign limited partnership or prevent the foreign limited
11 partnership from defending any action, suit or proceeding in any
12 court of this State.

13 4. When the Secretary of State is advised that a foreign limited
14 partnership is subject to the fine described in subsection 1, the
15 Secretary of State may, as soon as practicable, ~~instruct~~ *refer the*
16 *matter to* the district attorney of the county where the foreign
17 limited partnership has its principal place of business or the
18 Attorney General, or both, *for a determination of whether* to
19 institute proceedings to recover the fine. *The district attorney of the*
20 *county where the foreign limited partnership has its principal*
21 *place of business or the Attorney General may institute and*
22 *prosecute the appropriate proceedings to recover the fine.* If the
23 district attorney or the Attorney General prevails in a proceeding to
24 recover the fine described in subsection 1, the district attorney or the
25 Attorney General is entitled to recover the costs of the proceeding,
26 including, without limitation, the cost of any investigation and
27 reasonable attorney's fees.

28 5. A limited partner of a foreign limited partnership is not
29 liable as a general partner of the foreign limited partnership solely
30 by reason of having transacted business in this State without
31 registration.

32 6. A foreign limited partnership, by transacting business in this
33 State without registering with the Secretary of State, appoints the
34 Secretary of State as its agent for service of process with respect to
35 causes of action arising out of the transaction of business in this
36 State.

37 7. The Secretary of State may adopt regulations to administer
38 the provisions of this section.

39 **Sec. 14.** NRS 88.6062 is hereby amended to read as follows:

40 88.6062 1. Every person, other than a limited-liability limited
41 partnership formed pursuant to an agreement governed by the laws
42 of another state, who is purporting to do business in this State as a
43 registered limited-liability limited partnership and who willfully
44 fails or neglects to file with the Secretary of State a certificate of



1 registration is subject to a fine of not less than \$1,000 but not more
2 than \$10,000, to be recovered in a court of competent jurisdiction.

3 2. When the Secretary of State is advised that a person is
4 subject to the fine described in subsection 1, the Secretary of State
5 may, as soon as practicable, ~~instruct~~ *refer the matter to* the district
6 attorney of the county in which the person's principal place of
7 business is located or the Attorney General, or both, *for a*
8 *determination of whether* to institute proceedings to recover the
9 fine. *The district attorney of the county in which the person's*
10 *principal place of business is located or the Attorney General may*
11 *institute and prosecute the appropriate proceedings to recover the*
12 *fine.* If the district attorney or the Attorney General prevails in a
13 proceeding to recover the fine described in this section, the district
14 attorney or the Attorney General is entitled to recover the costs of
15 the proceeding, including, without limitation, the cost of any
16 investigation and reasonable attorney's fees.

17 3. The Secretary of State may adopt regulations to administer
18 the provisions of this section.

19 **Sec. 15.** NRS 88.6087 is hereby amended to read as follows:

20 88.6087 1. Every limited-liability limited partnership, formed
21 pursuant to an agreement governed by the laws of another state,
22 which is purporting to transact business in this State as a foreign
23 registered limited-liability limited partnership and which willfully
24 fails or neglects to register with the Secretary of State in accordance
25 with the provisions of NRS 87A.540 or 88.575 is subject to a fine of
26 not less than \$1,000 but not more than \$10,000, to be recovered in a
27 court of competent jurisdiction.

28 2. Every limited-liability limited partnership, formed pursuant
29 to an agreement governed by the laws of another state, which is
30 purporting to transact business in this State as a foreign registered
31 limited-liability limited partnership and which fails or neglects to
32 register with the Secretary of State in accordance with the
33 provisions of NRS 87A.540 or 88.575 may not commence or
34 maintain any action, suit or proceeding in any court of this State
35 until it has registered in this State.

36 3. The failure of a limited-liability limited partnership, formed
37 pursuant to an agreement governed by the laws of another state and
38 purporting to do business in this State as a foreign registered
39 limited-liability limited partnership, to register with the Secretary of
40 State in accordance with the provisions of NRS 87A.540 or 88.575
41 does not impair the validity of any contract or act of the limited-
42 liability limited partnership or prevent the limited-liability limited
43 partnership from defending any action, suit or proceeding in any
44 court of this State.



4. When the Secretary of State is advised that a limited-liability limited partnership, formed pursuant to an agreement governed by the laws of another state, is subject to the fine described in subsection 1, the Secretary of State may, as soon as practicable, ~~instruct~~ *refer the matter to* the district attorney of the county where the limited-liability limited partnership has its principal place of business or the Attorney General, or both, *for a determination of whether* to institute proceedings to recover the fine. *The district attorney of the county where the limited-liability limited partnership has its principal place of business or the Attorney General may institute and prosecute the appropriate proceedings to recover the fine.* If the district attorney or the Attorney General prevails in a proceeding to recover the fine described in subsection 1, the district attorney or the Attorney General is entitled to recover the costs of the proceeding, including, without limitation, the cost of any investigation and reasonable attorney's fees.

5. A limited partner of a limited-liability limited partnership, formed pursuant to an agreement governed by the laws of another state, is not liable as a general partner of the limited-liability limited partnership solely by reason of having transacted business in this State without registration.

6. A limited-liability limited partnership, formed pursuant to an agreement governed by the laws of another state, by transacting business in this State without registering with the Secretary of State in accordance with the provisions of NRS 87A.540 or 88.575, appoints the Secretary of State as its agent for service of process with respect to causes of action arising out of the transaction of business in this State.

7. The Secretary of State may adopt regulations to administer the provisions of this section.

Sec. 16. NRS 88A.215 is hereby amended to read as follows:

88A.215 1. Every person, other than a foreign business trust, who is purporting to do business in this State as a business trust and who willfully fails or neglects to file with the Secretary of State a certificate of trust is subject to a fine of not less than \$1,000 but not more than \$10,000, to be recovered in a court of competent jurisdiction.

2. When the Secretary of State is advised that a person, other than a foreign business trust, is subject to the fine described in subsection 1, the Secretary of State may, as soon as practicable, ~~instruct~~ *refer the matter to* the district attorney of the county in which the person's principal place of business is located or the Attorney General, or both, *for a determination of whether* to institute proceedings to recover the fine. *The district attorney of the county in which the person's principal place of business is located*



1 *or the Attorney General may institute and prosecute the*
2 *appropriate proceedings to recover the fine.* If the district attorney
3 or the Attorney General prevails in a proceeding to recover the fine
4 described in subsection 1, the district attorney or the Attorney
5 General is entitled to recover the costs of the proceeding, including,
6 without limitation, the cost of any investigation and reasonable
7 attorney's fees.

8 3. The Secretary of State may adopt regulations to administer
9 the provisions of this section.

10 **Sec. 17.** NRS 88A.750 is hereby amended to read as follows:

11 88A.750 1. Every foreign business trust transacting business
12 in this State which willfully fails or neglects to register with the
13 Secretary of State pursuant to the provisions of NRS 88A.710 is
14 subject to a fine of not less than \$1,000 but not more than \$10,000,
15 to be recovered in a court of competent jurisdiction.

16 2. Every foreign business trust transacting business in this State
17 which fails or neglects to register with the Secretary of State
18 pursuant to the provisions of NRS 88A.710 may not commence or
19 maintain any action, suit or proceeding in any court of this State
20 until it has registered with the Secretary of State.

21 3. The failure of a foreign business trust to register with the
22 Secretary of State does not impair the validity of any contract or act
23 of the foreign business trust or prevent the foreign business trust
24 from defending any action, suit or proceeding in any court of this
25 State.

26 4. When the Secretary of State is advised that a foreign
27 business trust is subject to the fine described in subsection 1, the
28 Secretary of State may, as soon as practicable, ~~instruct~~ *refer the*
29 *matter to* the district attorney of the county where the foreign
30 business trust has its principal place of business or the Attorney
31 General, or both, *for a determination of whether* to institute
32 proceedings to recover the fine. *The district attorney of the county*
33 *where the foreign business trust has its principal place of business*
34 *or the Attorney General may institute and prosecute the*
35 *appropriate proceedings to recover the fine.* If the district attorney
36 or the Attorney General prevails in a proceeding to recover the fine
37 described in subsection 1, the district attorney or the Attorney
38 General is entitled to recover the costs of the proceeding, including,
39 without limitation, the cost of any investigation and reasonable
40 attorney's fees.

41 5. A foreign business trust, by transacting business in this State
42 without registering with the Secretary of State, appoints the
43 Secretary of State as its agent for service of process with respect to
44 causes of action arising out of the transaction of business in this
45 State.



6. The Secretary of State may adopt regulations to administer the provisions of this section.

Sec. 18. NRS 89.215 is hereby amended to read as follows:

89.215 1. Every person who is purporting to do business in this State as a professional association and who willfully fails or neglects to file with the Secretary of State articles of association is subject to a fine of not less than \$1,000 but not more than \$10,000, to be recovered in a court of competent jurisdiction.

2. When the Secretary of State is advised that a person is subject to the fine described in subsection 1, the Secretary of State may, as soon as practicable, ~~instruct~~ *refer the matter to* the district attorney of the county in which the person's principal place of business is located or the Attorney General, or both, *for a determination of whether* to institute proceedings to recover the fine. *The district attorney of the county in which the person's principal place of business is located or the Attorney General may institute and prosecute the appropriate proceedings to recover the fine.* If the district attorney or the Attorney General prevails in a proceeding to recover the fine described in subsection 1, the district attorney or the Attorney General is entitled to recover the costs of the proceeding, including, without limitation, the cost of any investigation and reasonable attorney's fees.

3. The Secretary of State may adopt regulations to administer the provisions of this section.

Sec. 19. NRS 294A.342 is hereby amended to read as follows:

294A.342 If it appears to a county clerk, city clerk or registrar of voters that the provisions of NRS 294A.341 have been violated, he or she shall report the alleged violation, in writing, to the Secretary of State. Upon receiving such a written report or if it otherwise appears to the Secretary of State that the provisions of NRS 294A.341 have been violated, the Secretary of State shall report the alleged violation to the Attorney General. The Attorney General ~~shall~~ *may* cause appropriate proceedings to be instituted and prosecuted in a court of competent jurisdiction. ~~without delay.~~

Sec. 20. NRS 294A.410 is hereby amended to read as follows:

294A.410 1. If it appears that the provisions of this chapter have been violated, the Secretary of State may:

(a) Conduct an investigation concerning the alleged violation and cause the appropriate proceedings to be instituted and prosecuted in the First Judicial District Court; or

(b) Refer the alleged violation to the Attorney General. The Attorney General ~~shall~~ *may* investigate the alleged violation and institute and prosecute the appropriate proceedings in the First Judicial District Court. ~~without delay.~~



2. A person who believes that any provision of this chapter has been violated may notify the Secretary of State, in writing, of the alleged violation. The notice must be signed by the person alleging the violation and include:

(a) The full name and address of the person alleging the violation;

(b) A clear and concise statement of facts sufficient to establish that the alleged violation occurred;

(c) Any evidence substantiating the alleged violation;

(d) A certification by the person alleging the violation that the facts alleged in the notice are true to the best knowledge and belief of that person; and

(e) Any other information in support of the alleged violation.

3. As soon as practicable after receiving a notice of an alleged violation pursuant to subsection 2, the Secretary of State shall provide a copy of the notice and any accompanying information to the person, if any, alleged in the notice to have committed the violation. Any response submitted to the notice must be accompanied by a short statement of the grounds, if any, for objecting to the alleged violation and include any evidence substantiating the objection.

4. If the Secretary of State determines, based on a notice of an alleged violation received pursuant to subsection 2, that reasonable suspicion exists that a violation of this chapter has occurred, the Secretary of State may conduct an investigation of the alleged violation.

5. If a notice of an alleged violation is received pursuant to subsection 2 not later than 180 days after the general election, general city election or special election for the office or ballot question to which the notice pertains, the Secretary of State, when conducting an investigation of the alleged violation pursuant to subsection 4, may subpoena witnesses and require the production by subpoena of any books, papers, correspondence, memoranda, agreements or other documents or records that the Secretary of State or a designated officer or employee of the Secretary of State determines are relevant or material to the investigation and are in the possession of:

(a) Any person alleged in the notice to have committed the violation; or

(b) If the notice does not include the name of a person alleged to have committed the violation, any person who the Secretary of State or a designated officer or employee of the Secretary of State has reasonable cause to believe produced or disseminated the materials that are the subject of the notice.



1 6. If a person fails to testify or produce any documents or
2 records in accordance with a subpoena issued pursuant to subsection
3 5, the Secretary of State or designated officer or employee may
4 apply to the court for an order compelling compliance. A request for
5 an order of compliance may be addressed to:

6 (a) The district court in and for the county where service may be
7 obtained on the person refusing to testify or produce the documents
8 or records, if the person is subject to service of process in this State;
9 or

10 (b) A court of another state having jurisdiction over the person
11 refusing to testify or produce the documents or records, if the person
12 is not subject to service of process in this State.

13 **Sec. 21.** This act becomes effective on July 1, 2013.

